

# LARSON AND DELAURO BLAST REPUBLICAN CONGRESS FOR LACK OF SOLUTIONS TO RISING FUEL PRICES

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Lawmakers offer comprehensive plan to address problem

HARTFORD – U.S. Congressman John B. Larson (CT-1) today outlined comprehensive solutions to the problem of soaring fuel costs. Larson was joined by Gene Guilford, Executive Director of the Independent Connecticut Petroleum Association (ICPA), Attorney General Richard Blumenthal, and U.S. Congresswoman Rosa DeLauro (CT-3).

Gene Guilford and former South Windsor mayor John Mitchell, a rock solid Republican, came to me with their concerns about fuel prices. Since then, their concerns have escalated. Today I'm calling for the roll back of tax breaks for the oil industry. This Administration's motto should be "leave no oil man behind" or with regards to our foreign policy, as Thomas Friedman has said, "leave no mullah behind."

Gene Guilford stated, "Fuel prices in America are set, at first, on the New York Mercantile Exchange and are influenced by commodity exchanges worldwide. In December of 2000 the Congress repealed part of the authority of the federal agency responsible for the oversight of the NYMEX so that today, the Commodity Futures Trading Commission [CFTC] only sees about 25% of the buying and selling of energy commodities. Thanks to the leadership of Congressman Larson, we have not only shined light on this mistake, we're now working to correct it to make sure the American people can have total confidence in the market system that establishes energy prices for this country and every consumer."

Larson continued, "In looking at this issue over the past year, I've seen that oil companies and executives are making record profits while consumers and small businesses are being hurt by soaring fuel costs. We've identified four main causes to this problem: market manipulation, price gouging, unneeded tax breaks for the oil industry, and dependence of foreign sources of energy. Today we're here to offer comprehensive solutions."

"Stopping gas price rises requires that the federal government be a real partner, not a paper tiger, as it is now," Attorney General Richard Blumenthal said. "Necessary steps are a federal prohibition against price gouging, repeal of tax breaks for Big Oil companies already swimming in cash, a tax on windfall profits with proceeds to consumers, and release of strategic petroleum supplies. The federal Department of Justice should be an ally to states in our ongoing investigations of Big Oil's anti-competitive practices. There is no panacea or magic bullet, but we must do more as partners to crack down on Big Oil's greed."

Larson outlined solutions to the following causes of high fuel prices:

- Market manipulation – The PUMP Act (HR 3954), introduced by Rep. Bart Stupak (D-MI) would prevent market manipulation by increasing transparency and oversight of the oil futures market
- Price gouging – The FREE Act (HR 3936), also introduced by Rep. Stupak (D-MI) would give the Federal Trade Commission authority to investigate and punish those who artificially inflate the price of energy
- Unneeded tax breaks for the oil industry – The Consumer Windfall Excess Oil Profits Protection Act (HR 4276), introduced by Reps. DeLauro and Larson, would impose a windfall profit tax on oil and natural gas. The Oil Subsidy Elimination Act (HR 5234), introduced by Rep. Larson, would rollback nearly \$7 billion in federal tax breaks for the oil industry. The Restore a Rational Tax Rate on Petroleum Production Act (HR 5218), introduced by Rep. Jim McDermott (D-WA), would eliminate an unneeded manufacturing tax deduction for the oil industry.
- Dependence on foreign sources of energy – The House Hydrogen and Fuel Cell Caucus, co-chaired by Rep. Larson, is promoting the development of renewable and efficient alternative energy technologies. Congresswoman DeLauro stated, "For all the challenges we face regarding oil prices, the Congress has refused to hold hearings or provide any meaningful oversight of the powerful oil industry," said DeLauro. "That may pass for

business as usual in the House of Representatives these days ĩ½ but it does not make it right. In our view, Congress should never cede its Constitutional authorities ĩ½ particularly to an Administration that has shown zero interest in challenging its political friends. ĩ½

Larson concluded, ĩ½ We ĩ½re here today because of the concerns that Gene Guilford and John Mitchell brought to my attention back in February 2005. Unfortunately, no action has occurred in Congress since then and none of the bills we ĩ½ve proposed have been brought to the House for a vote. I appreciate the attention Mr. Guilford, Attorney General Blumenthal, and Congresswoman DeLauro have given to this issue and I can assure you we will continue to work on behalf of Connecticut ĩ½s consumers. ĩ½

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